GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2523
ANSWERED ON:18.08.2006
CIRCULATION OF COUNTERFEIT BONDS
Baxla Shri Joachim

Will the Minister of FINANCE be pleased to state:

(a) whether the Government is suffering substantial financial losses due to circulation of forged/counterfeit Cash Certificates and Bonds;

(b) if so, the quantum of losses suffered annually;

(c) whether the Government are contemplating to incorporate foolproof device in order to eliminate possibility of circulation of counterfeit Bonds;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (e) There have been some instances of circulation of non-genuine Government debt instruments that have come to the notice of government. It is difficult to quantify the amount of losses on this account.In respect of Government securities, the progress towards dematerialisation, which is proposed to be completed after enactment of Government Securities Bill, is expected to curb the possibility of counterfeiting.In respect of instruments in physical forms, various administrative steps have been taken.These include instructions regarding surprise checks of concerned agencies, greater awareness about the security features, publicity requesting the public to conduct transactions through Post Offices/Authorized agents, and more stringent procedure for verification by staff before encashment.